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KATHRYN A. KLEIMAN**
OF COUNSEL
(**Admitted in Virginia only)

December 28, 2005

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

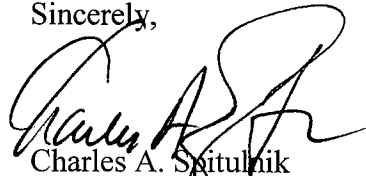
Re: STB Finance Docket No. 34813, *New York New Jersey Rail LLC and New York Cross Harbor Railroad Terminal Corp. - - Transaction Within a Corporate Family Exemption*

Dear Sir:

I am attaching for inclusion in the docket in this proceeding a copy of a letter we sent to counsel for Petitioners in the above-referenced proceeding. We have sent the attached letter to counsel for Petitioners to ensure that neither New York Cross Harbor Railroad Terminal Corp. (NYCH) nor New York New Jersey Rail LLC (NYNJ) believes that the City of New York is waiving any rights it may have under the Permit dated September 1, 1984 issued to NYCH, and as owner of the land and certain facilities NYCH uses in Brooklyn, NY to conduct its car float and rail operations.

Please date stamp the enclosed copy of this letter and return to our messenger.

Sincerely,



Charles A. Spitulnik
Counsel for the New York City Economic
Development Corporation, acting on behalf
of the City of New York, NY

cc: John D. Heffner, Esq.

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December 28, 2005

John D. Heffner, Esq.
1920 N Street, N.W.
Suite 800
Washington, DC 20036

Re: STB Finance Docket No. 34813, *New York New Jersey Rail LLC and New York Cross Harbor Railroad Terminal Corp. - - Transaction Within a Corporate Family Exemption*

Dear John:

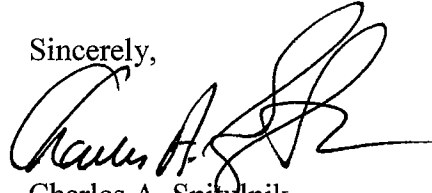
I am writing in reference to the Verified Notice of Exemption filed in the above-referenced proceeding on December 22, 2005. In that Notice, you state on behalf of New York New Jersey Rail LLC ("NYNJ") that the New York Cross Harbor Railroad Terminal Corporation ("NYCH") will transfer to NYNJ "all or substantially all of its railroad assets including track, rights of way ... and intangible assets required for railroad operation...." Verified Notice, para. 4 at p.2.

As you know, the NYCH is a party to a Permit dated as of September 1, 1984 issued by the City of New York that relates to property described in that Permit as "The Bush Terminal Yards (aka "First Avenue Yards") and the Floatbridge Facility and related tracks at the Harborside Industrial Center (aka "Brooklyn Army Terminal") as shown on Exhibit "A" annexed hereto." That Permit has expired and, although the City has previously given NYCH a notice terminating the Permit and NYCH's right of occupancy, NYCH remains on the property. To the extent that NYCH has any right to be on that property at this time, it is solely as a month-to-month permittee. Further, this is to confirm that such Permit may not be assigned without an acknowledgement from the assignee (the "Assignee") that (i) the Assignee is an affiliate of the current permittee, NYCH (the "Assignor"); (ii) that by operation of law and by its agreement the Assignee acknowledges that it assumes and is subject to all obligations under the Permit, and any other liabilities of the Assignor accruing under the permit prior to the date of transfer, including, but not limited to, liabilities for accrued and unpaid taxes and assessments and liabilities arising from environmental and other matters; and (iii) that the Assignee completes and submits to the City of New York satisfactory VENDEX background investigation questionnaires for the Assignee and its principals.

John D. Heffner, Esq.
December 28, 2005
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Please provide the acknowledgement described above and the information required to complete the VENDEX background investigation promptly. VENDEX forms are available online at www.nycedc.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles A. Spitulnik", with a stylized flourish at the end.

Charles A. Spitulnik
Counsel for the New York City Economic
Development Corporation, acting on behalf
of the City of New York, NY

cc: Robert LaPalme, Esq.